

Public and Private Developers as Agents in Urban Housing Delivery in Sub-Saharan Africa: the Situation in Lagos State

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Abstract: The problem of providing qualitative housing has been a concern for both the government and many individuals. Appreciating these problems, both the government (Public developers) and these individuals (Private developers) through their various activities strive to balance the gap in housing supply and demand, but the cost of building materials, stringent loan conditions from mortgage banks, government policies amongst other problems have been affecting housing delivery. Questionnaire and interview were used to obtain information from the staff of Public and Private Developers on housing delivery in Lagos Metropolitan areas. In order to increase housing delivery for the urban poor at an affordable rate, the use of indigenous materials and technology, provision of habitable home at subsidize rate, modification of some parts of 1978 landuse act and accessibility of developers particularly private developers to land and mortgage loans at a low rate will go a long way in assisting developers in housing delivery in the country.

Key words: Public and Private Developers % Sustainable Housing Delivery

INTRODUCTION

The history of housing is inseparable from the social, economic and political development of human kind [1]. The problem of providing adequate housing has long been a concern, not only of individuals but of government as well. In most of our urban centres the problem of housing is not only restricted to quantity but to the poor quality of available housing units. The result of which is manifested in overcrowding in houses and as well increases pressure on available infrastructural facilities.

Rapid growth in population creates problems toward adequate and efficient supply and distribution of basic utilities and services for the city inhabitants. For instance, Lagos the former capital of Nigeria is second largest city after Ibadan in 1952 with a population of 250,000 and by 1963 had outgrown Ibadan to have a population of 1.5million within its metropolitan area and currently having 9.1 million and is projected to be 24 million by 2020 [2-4].

A recent World Bank report noted that two of the most critical urban development issues facing Nigeria are the financing of urban infrastructure and the institutional arrangements for housing delivery in urban centres. Of all the myriads of problems faced by urban dwellers, particularly Lagos is that of housing. This problem is evidenced by widespread of slums and squatter settlements in our urban centres.

The provision of basic utilities and services particularly housing, is partly the responsibility of the government, which has been handicapped in recent times by declining financial resources, political instability and many other factors.

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As part of effort to increasing housing for the masses in the country, the Federal Government in 2004, pledged to adequately fund research pertaining to the manufacture and the use of local materials in the sector. With aim of providing 40,000 houses, with at least 1,000 per state before year 2007, it is quite interesting to note that little has been done to meet this target barely two months to the end of year 2007.

Today, the unimaginably high demand for housing is on the increase on daily basis in our urban centres and due to the incapability of the federal, the state and the local governments in providing housing to the populace, Oniboku [5] observed that private developers tend to contribute to a large proportion, the entire housing stock in the country [5].

The contribution of private developers in housing delivery in our urban centres, particularly, Lagos state cannot be under estimated. In spite of their efforts in complementing government efforts in housing delivery, inadequacy of building materials, problem of indigenious landowners of land, inaccessibility to funds among other factors are part of the constraints that results into exorbitant prices that are placed on these stock of houses and this makes it impossible for urban poor to acquire.

It is against this backdrop that the paper seeks to look at the activities of both public and private developers toward sustainable housing delivery in Nigerian urban centres using Lagos state as case study. This paper is structured into six parts. Following this introduction, section two contains overview of housing delivery in Nigeria, section three deals with methodology, while section four discusses result of findings. In section five, recommendations are provided and section six provides conclusion.

Overview of Housing Delivery in Nigeria: Housing is one of the most important necessities of life, it is a priority for the attainment of living standard and it is core to environment be it rural or urban. The physical characteristics of a house often depend on the area's climate, the surrounding terrain, the available building materials and the technological know-how of the builders.

Cultural factors such as a group's preferences and values or an individual owner's social status, personal taste and financial resources, also influence a home physical characteristics. Ideally, the building should be in harmony with the environment, both physically and aesthetically [1].

Fadahunsi [6] observes that policy makers are not really aware of the magnitude of housing problems for low-income earners when looking at increase in house rent and rising cost of building materials. But Olateju [7] noted that the increasing high rent can be attributed to the decrease in housing stock.

As stated in Encarta [1], despite wealth of greater variety of materials available to urban-based residents, urban-based housing in developing countries is generally lower in quality and less spacious than housing in developed countries. And government efforts to upgrade housing conditions are progressing slowly. The Nigerian states still lacks the capacity to establish the crucial conditions for capital accumulation that could assist housing delivery. World Bank [8] observes that most regulations though are targeted on small businesses and billions of naira wasted on public projects that are irrelevant to society and many never completed.

For instance, the National Rolling Plan of 1990 – 92 estimated housing deficit and government promised to increase it from 4.8 million to 5.9 million by 2000. The 1991 housing policy estimated that 700,000 housing units are to be built each year if housing deficit is to be cancelled. The documents indicated that not less than 60% of the new houses are to be built in urban centres. In 2006, the minister of Housing and Urban Development declared that the country needs about 10 million housing units before all Nigerians can be sheltered.

Between 1975 and 1980, there is a plan of delivering 202,000 housing units to the public but only 28,500 units, representing 14.1% was achieved. Also, out of 200,000 housing units planned to be delivered between 1981 and 1985, only 47,200 (23.6%) was constructed. Under the National Housing Fund (NHF) programme initiated in 1994, to produce 121,000 housing units, it was believed that less than 5% was achieved. In spite of a series of government policies towards housing delivery, one thing that is clear is that; there exist a gap between housing supply and demand.

Olomolaiye [9] was of the opinion that constructed projects in a developing country face three major problems, which consequently result into delays. First is the problem imposed by the industry's infrastructure such as training, plant availability and material supply? Second, is that of inaccurate information and frequent chain of instructions and failure to meet obligations on the part of clients and consultants? The third are those delays imposed by the constructor's shortcomings. These observations are also similar to those made by Bramble and Callamham's [10].

Reviewing government activities and performances in the housing industry, Onibokun [11] observed that before and after independence, there are flaws in government direct housing construction, as well as problems associate with loan inadequacy, narrow conception of housing need and polarization of programme. A review of achievement of previous projects shows that little has been achieved after spending 30% of N1.9 billion budgets for housing.

Public sector believes in producing houses not for profit alone, but to help in solving inadequate housing problems. But Okpala [12] reports that public sector constructed houses are very expensive and inaccessible to most people with limited varieties in facilities and cost. So, Public housing produces too few houses and wrong kind [8].

Ariyo [13] on the other hand stated that the private sector provides a good percentage of revenue into public purse via taxation. Therefore, the performance of private sector in housing delivery will eventually add value to public sectors' income generation. Current trend in the world shows that private sector led growth is more rapid compared to public sector, this is because private sector has a superior record of ensuring efficient resource allocation, utilization and management, leading to lower cost on the part of the management and inaccessibility to the purchase of built houses by the people due to exorbitant price in acquiring or rentage [1].

Housing is a critical component in the social and economic fabric of all nations. No country is yet satisfied that adequate housing has been delivered to the various economic groups that make up its populace. Thus, most nations, in one form or another continue to claim a housing problem.

In Nigeria, there is a shortage of houses for the poor and for some low and middle-income earners. Both rental and owner occupied houses are affected. Homeless people have shelters on the streets, under bridges, on top of flyovers, churches, mosques, offices and parks and even in filling stations.

Blowers [14] and UNCHS [15] observed that over the last decades, environmental and developments are the major focus of human policies and important agenda of international policy. Perfect and Power [16] however, contended that concept of sustainability which emerged in the 1990s bids fair to become the single and most prominent planning issue of our time, then, for sustainable housing delivery in our urban centres, particularly Lagos metropolitan area, there is the need for both public and private developers to facilitate the provision of housing units in sufficient numbers and at reasonable costs, with the use of durable, cheap and culturally relevant materials.

Housing Affordability: a Conceptual Issue in Sustainable Housing Delivery: In recent years 'housing affordability' has become a common way of summarizing the nature of the housing difficulty in many nations. This is in contrast to the 'slum problem', the low rent housing problem, the housing shortage or the 'housing need' definitions of previous decades. A household is said to have a housing affordability problem, in most formulation of the term, when it pays more than a certain percentage of its income to obtain adequate and appropriate housing [17]. The term 'affordability' is widely used in the English Language. Indeed, the term 'housing affordability' has come into widespread usage in the last fifteen (15) years or so. However, affordability as a concept is hard to define [18].

Collins Dictionary defined 'afford' as being able to pay without incurring financial difficulties. But Robinson et al [18] were of the opinion that it is very difficult to decide exactly when one does have financial difficulty and often, things are considered unaffordable even when some income is clearly greater than the cost of an item. Due to different interpretation of affordability, or housing affordability as interchangeably used, in our survey, the term affordability is in line with the definitions, of New Zealand Housing Corporation [19] that: "affordability is not simply a matter of housing costs and income levels, but it is about people's ability to obtain housing and to stay in it."

Despite the fact that there is excess demand of housing either as owner or for rent by household in Nigeria, their purchasing power is limited by their respective income. Although most people's incomes (low and middle income) earners in the country (Nigeria) can hardly purchase public and private developers housing supply, nevertheless, public developers do give out these houses in form of mortgage. But the question that comes to mind is: are these mortgage houses accessible to these (low and middle income) earners? Accessibility is a reflection of initial conditions facing a potential tenant or owner. It includes the interest rate, house prices, rents, income and criteria applied by lenders. Government housing policies also influence accessibility. For example, a grant to first homebuyers may make a purchase more "accessible". And where government land use act constitute no constraint to land accessibility, developers can deliver houses at a cheap rate and such action could affect housing affordability of the masses [12].

MATERIALS AND METHODS

This study covers eight housing developers in Lagos state as shown in Table 1.

A set of one hundred and sixty (160) questionnaires were administered to the staff of the eight housing developer. Twenty questionnaires were administered to the staff of each of the eight organizations due to: (i) the staff size that varies from 20 to 30, (ii) not all the staff are in position to provide answers to the distributed questionnaire. Due to activities in these organizations, the filling of the questionnaires took four weeks. At the end of the fourth week all (a total 160) questionnaires were retrieved from the respondents for analysis.

The questionnaire was divided into sections A and B. Section A contains information on socio economic characteristics of the staff and section B covers questions relating to developers sources of finance, number of houses delivered, the time horizon of delivery, policies guiding operations, spatial location of built houses, problems encountered in housing delivery and effectiveness and efficiency of their organization in delivering qualitative housing to the populace.

Some vital information about these organizations were not released, they are of the opinion that, the information are confidential and not for public consumption. They believe some of this information can reveal their strengths and weaknesses to their competitors. However, the available information through personal interview with the senior member of staff of these organizations complements the information retrieve through the questionnaires.

RESULTS AND DISCUSSION

Socio Economic Characteristics of Public and Private Developers: The study revealed that a majority (40%) of respondents of the staff of Public Developers' age lies between (41-50yrs), followed by those in the age brackets of (31-40yrs), (21-30yrs), (> 50yrs) with percentages of 26.25%, 25.0% and 2.5% respectively. Similarly, the age distribution of Private Developers' staff followed the same pattern with the Public Developers. With majority of the staff (35%), age lies between (51-50yrs), 30%, 25% of the staff age lies between (31-40yrs) and (21-30yrs) respectively.

We therefore conclude that significant numbers of the Developers are within working class age. On gender distribution, majority (58.75%) of the staff of Public Developers are male while (41.25%) of the staff are female. In spite of the difference in the male percentage response of the Private Developers, majority (66.25%) of the staff are female while (33.75%) are male.

About (82.5%) of the respondents of Public Developers are married while (12%) and (2%) are single and divorced or separated respectively. However, a majority (60%) of the respondents of the Private Developers are single while (28.75%), (11.25) of the staff are married and divorced or separated respectively. The result shows that while a majority of the respondents of Public Developers are married, majority for the respondents of Private Developers are single. In spite of the high number of female respondents of Private Developed, the single nature of their marital status can be attributed to the organizations policy of absorbing single female applicants. Based on educational qualification, a majority of

Table 1: Public and Private Developers Studied.

Housing developers		
S/NO	Public	Private
1	Lagos State Devpt & Properties Corporation (LSDPC)	Cornerstone Construction Company Ltd
2	Lagos State Ministry of Housing (LSMH)	Solid Homes Estate Ltd
3	Federal Ministry of Housing and Urban Development (FMH & UD)	Good Homes Estate Ltd
4	Federal Housing Authority	Grant Properties Ltd

Source: Field Survey (2007)

Table 2: Socio economic characteristics of Public and Private developers

Socio Economic Characteristics	Public Developers	Private Developers
	N=80 %	N=80 %
Age		
< 20 yrs	2.5	5
21 - 30 yrs	25.0	25
31 – 4 yrs	26.25	30
41 – 50 yrs	40.0	35
< 50 yrs	6.25	5
Gender		
Male	58.75	37.25
Female	41.25	66.25
Marital status		
Single	15.0	60.0
Married	82.5	28.75
Divorced/separated	2.5	11.25
Educational Qualification		
Secondary	2.5	6.25
Technical Colleges/Polytechnics	13.75	-
University	28.75	31.25
Professional	17.8	7.5
University + Professional	37.5	55.0

Source: Field Survey (2007).

Table 3: Types of Labour Employed by the Developers

Options	Public Developers	Private Developers
	N=80 %	N=80 %
Direct	67.5	7.5
Contract	32.5	92.5

Source: Field Survey (2007)

the respondents in Public and Private organizations under study have high level of educational qualification. 37.5% of the respondents of the Public Developers have university plus professional qualification. Also a majority (55%) of the Private Developers has university degree, in addition to profession organization. From above analysis, both Private and Public Developers have one form of education or the other. Hence, all the respondents are educated.

Table 4: Types of Housing Materials Used by Developers

Options	Public Developers	Private Developers
	N=80 %	N=80 %
Local	65	11.25
Imported	12.5	55.00
Local and Imported	22.5	33.75

Source: Field Survey (2007)

Table 5: Sources of Finance of Public and Private Developers

Options	Public Developers	Private Developers
	N=80 %	N=80 %
Mortgage Banks	31.25	2.5
Raised Loans	25.00	27.5
Individual	43.75	70.0

Source: Field Survey (2007)

Types of Employed Labour: In carrying out housing delivery, both Public and Private Developers do engage labour in the constructions of buildings. From the survey, we observed two types of workers, employed under *direct and contract labour*. Workers under direct labour are working directly for the organization and also on the pay roll of the organization while workers under contract labour are not directly under the pay roll of the organization but they are either casual workers hired by the organization or consultant handling the building projects on behalf of both Public and Private Developers.

As shown in table 3, majority (67.5%) of the respondents of public developers was employed under direct labour while 32.5% were employed under contract labour. On the other hand, majority 92.5% of respondents working under private developers was employed under contract labour arrangement. It may be concluded that while majority of the respondents are in the pay roll of the government, majority of workers employed under private organizations, are not in their respective pay roll.

Housing Materials Used: The use of locally made materials and appropriate technology in housing delivery has been the aspiration and focus of many housing fair and exhibition at trade fair in the country. This is because the use of shades of technologies from low cost to indigenous technologies is believed to have significant impact in housing delivery process in the country.

Our survey results, as shown in (table 4) revealed that while majority (65%) of respondents of public developers depend on the use of local materials in housing delivering process, majority (55%) of the respondent of private developers mostly depend on the use of imported materials. From the result, one can infer that public developers do make use of local housing materials while private developers are found of making use of imported materials. The results are likely pointers to the prices of buildings constructed by private developers are relatively more expensive. Also, despite an increase in the use of local materials in housing delivery process as indicated by respondents of public developers, prices of buildings are not cheap for urban poor to acquire.

Source of Financing Housing Projects: Housing projects are capital intensive. In order to deliver qualitative housing to the populace, a lot of capital is needed. As seen in developers' proposals, there are many housing units, which are expected to be delivered. In our survey, majority of the respondents of the public (43.75%) and private (70.0%) developers were of the opinion that they source funds for the finance of building projects individually. As shown in table5, (27.5%) of private developers staff agreed that they do raised loans while (31.25%) respondents of public developers agreed on

obtaining funds from Mortgage Banks when sourcing for fund. It can be deduced that inability of the developers (Private and Public) to have access to Mortgage Banks in financing their housing projects has been contributing to their inability to meet housing demand of the masses.

We also observed that accessibility of developers to land is one of the constraints affecting their delivery process. This stems from the fact that; government does not provide infrastructural facilities such as roads, water, drainage and electricity that will aid housing delivery process.

RECOMMENDATIONS

Housing is a critical component in the social and economic fabric of all nations. No country is yet satisfied that adequate housing has been delivered to the various economic groups that make up its citizenry. Thus, most nations, in one form or another continue to claim a housing problem.

Building materials is believed to have constituted 55% to 65% of total cost of construction input. But available record has shown that there are indigenous building materials with potential for enhancing mass housing development, but regrettably stakeholders have not embraced them. For sustainable housing delivery, both private and public developers should shift from over dependency on imported materials to the use of local materials such as wall, roofing and floor materials that are affordable and durable.

There is no doubt that, there is low awareness in the efficacy of the use of local materials due to socio cultural barriers. So, an inward approach and enlightenment of the public services and professionals in the industry of the efficacy of local materials will enhance housing delivery and as well limit the incidence of collapse buildings or structures and also, bring together stakeholders in the industry.

Government should shift focus from full direct housing construction to that of providing enabling environment for the sector. For example, if there is the need to import housing materials, government can subsidize by importing or reduce the import duties on such building materials.

In addition, most financial institutions do not want to finance housing project because of their short fund for short-term investment orientation. But most housing delivery project is long-term investment and capital intensive. Therefore, financial institutions should be encouraged in financing some of these projects. Mortgage loans should not be for construction of new houses alone, but for people to be able to rent accommodation and to make improvement on existing houses. We must also encourage housing cooperatives because most individual achieve better things though cooperative societies.

According to Mabogunje [20], land acquisition difficulties and inability of most Nigerians to have access to long term mortgage finance coupled with government acquisition and allocation as stipulated in the land use Act of 1978 has been posing a lot of barriers to potential developers in housing delivery. Therefore, there is the need to modify some parts of the land use Act of 1978 considered to be posing these problems. Procurement of genuine land, a situation where a plot of land is sold to two or more developers, by 'Omo onile' (indigenous land owners) as experienced with Lagos State land in recent time, could hamper housing delivery. To sustain housing delivery, 'Omo onile' syndrome should be looked into and appropriate legal actions should be taken against these 'Omo onile' where necessary.

The establishments of small and medium size companies for the exportation, manufacturing and coordinated network distribution of building materials will greatly enhance housing delivery. In all, workable national policy framework where the duties and responsibilities of each stakeholder in housing delivery will be stipulated will assist sustainable public and private housing delivery in Nigeria.

CONCLUSION

In Nigeria, there is a shortage of houses for the urban poor. Also, low and middle-income wage earners can hardly afford public and private developers houses. So, both rental and owner occupied houses are grossly affected by demand. With Lagos attaining the status of mega city, coupled with her explosive population, there is the need by the government

(Federal, State and Local), to formulate policies that will assist housing delivery process of developers as well as the demand of the masses.

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